

Message Text

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PAGE 01 GENEVA 02926 241203Z
ACTION STR-07

INFO OCT-01 EA-10 IO-13 ISO-00 STRE-00 AGRE-00 CEA-01
CIAE-00 COME-00 DODE-00 EB-08 FRB-03 H-01 INR-10
INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01 CTME-00
AID-05 SS-15 ITC-01 TRSE-00 USIA-06 SP-02 SOE-02
OMB-01 DOE-11 /115 W
-----015576 241210Z /14

P 241143Z FEB 78
FM USMISSION GENEVA
TO SECSTATE WASHDC PRIORITY 6380
INFO AMEMBASSY TOKYO

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USMTN

ACTION STR PASS ELECTRONICALLY
STR PASS CODEL

E.O.11652: N/A
TAGS: ETRD, GATT, MTN, JA
SUBJECT: US-JAPAN BILATERAL FEB 23

1. FIRST SUBSTANTIVE SESSION ON JAPAN'S MTN OFFERS HELD
FEB 23. JAPANESE (LED BY IKEDA, MFA TOKYO) MADE STATISTI-
CAL PRESENTATION OF "GENEROSITY" OF THEIR TARIFF OFFER
WITH ALL DATA BASED ON REDUCTIONS FROM BOUND OR UNBOUND
STATUTORY RATES. U.S. (CULBERT) RESPONDED WITH APPRAISAL
IN RELATION TO US-JAPAN AGREEMENT RECORDED IN STRAUSS/
USHIBA COMMUNIQUE (EQUITY, SECO, PARITY, COMPARABLE
AVERAGE LEVELS OF BOUND TARIFFS) AND SAID JAPAN'S OFFERS
FALL UNACCEPTABLY SHORT AND REQUIRE SUBSTANTIAL IMPROVE-
MENT ACROSS THE BOARD.

2. JAPANESE DESCRIBED U.S. PRESENTATION AS FRANK AND BLUNT
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PAGE 02 GENEVA 02926 241203Z

BUT MADE ONLY A RELATIVELY MILD REBUTTAL THAT U.S. AND
JAPAN HAVE NEVER AGREED ON BASE RATE FROM WHICH CUTS
SHOULD BE MEASURED AND SAID THEY DID NOT BELIEVE PARA 6
OF S/U COMMUNIQUE SHOULD BE INTERPRETED IN QUANTITATIVE
TERMS. THEY NOTED, HOWEVER, THAT NO ONE ON JAPANESE SIDE
AT THIS MEETING HAD BEEN CLOSELY INVOLVED IN DRAFTING
THAT COMMUNIQUE. RIVERS STR SAID REFERENCE IN PARA 6 OF

COMMUNIQUE TO COMPARABLE AVERAGE LEVELS OF BOUND TARIFFS CERTAINLY CALLED FOR QUANTITATIVE MEASUREMENT TAKING INTO ACCOUNT NTM'S TO EXTENT THEIR QUANTITATIVE IMPACT COULD BE ASSESSED.

3. AGREEMENT ON SHORT-TERM FOLLOW-UP WORK AGREED AS FOLLOWS:

(A) TARIFF EXPERTS FROM BOTH SIDES WOULD MEET IMMEDIATELY AFTER THIS SESSION TO IDENTIFY TECHNICAL ELEMENTS IN EACH OTHER'S OFFERS NEEDING CLARIFICATION.

(B) NTM TEAMS WILL MEET EARLY NEXT WEEK TO GO OVER RESPECTIVE OFFERS AND NON-OFFERS IN DETAIL.

(C) AGRICULTURE TEAMS WILL MEET TOWARD MIDDLE OF NEXT WEEK (AS SOON AS SUBGROUP DAIRY ADJOURNS) TO GO INTO REQUESTS/OFFERS/NON-OFFERS IN DETAIL.

4. GENEVA 02905 REPORTS FULL TEXT OF U.S. STATEMENT (LAST SENTENCE PARA 3 THEREOF SHOULD BE CORRECTED TO READ 1/10 OF 1 PERCENT, RATHER THAN 1 PERCENT).

5. COMMENT: WE CANNOT RULE OUT POSSIBILITY OF SOME REACTION FROM TOKYO WHEN JAPANESE DIGEST IMPLICATIONS OF OUR DE FACTO REJECTION OF THEIR CURRENT OFFERS. EVEN IF NATURE OF SUCH REACTION DOES NOT BOG US DOWN IN A RENEWAL OF THE BASE RATE DISPUTE, THE BALL IS NOW CLEARLY IN OUR LIMITED OFFICIAL USE

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PAGE 03 GENEVA 02926 241203Z

COURT TO COME UP ASAP WITH IDENTIFICATION OF SPECIFIC NON-AGRICULTURAL PRODUCTS AND SPECIFIC RATES WE WANT JAPAN TO CONSIDER. (WE ARE DISCUSSING WITH ANN HUGHES POSSIBLE WAYS OF SPEEDING UP PROCESS OF OBTAINING ISAC INPUT FOR DEVELOPMENT OF SUCH A LIST WHICH WE UNDERSTAND MAY TAKE AT LEAST ONE MONTH PER PRESENT SCHEDULE.) THE EXCELLENT WORK BY USDA IN MATERIAL HAND-CARRIED FROM WASHINGTON IS ADEQUATE TO ENABLE US TO LAUNCH PRODUCT-SPECIFIC NEGOTIATIONS ON AGRICULTURAL ITEMS. CULBERT

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NNN

Message Attributes

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